

Approved as Submitted: February 5, 2003

**CITY OF MORGAN HILL
JOINT SPECIAL AND REGULAR REDEVELOPMENT AGENCY AND
SPECIAL CITY COUNCIL MEETING
MINUTES – JANUARY 22, 2003**

CALL TO ORDER

Chairperson/Mayor Kennedy called the meeting to order at 5:04 p.m.

ROLL CALL ATTENDANCE

Present: Agency/Council Members Carr, Tate and Chairperson/Mayor Kennedy
Late: Agency/Council Members Chang and Sellers (both arriving at 5:05 p.m.)

DECLARATION OF POSTING OF AGENDA

Agency Secretary/City Clerk Torrez certified that the meeting's agenda was duly noticed and posted in accordance with Government Code 54954.2

Redevelopment Agency Action and City Council Action

CLOSED SESSIONS:

Agency Council/City Attorney Leichter announced the following closed session items.

1.

PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Pursuant to Government Code 54957

Public Employee Performance Evaluation: City Manager

Attendees: City Council, City Manager

2.

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Significant Exposure/Initiation of Litigation

Authority: Government Code Sections 54956.9(b) & (c)

Number of Potential Cases: 2

3.

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Legal Authority: Government Code Section 54965.9(a)

Case Name: Morgan Hill Unified School District v. Minter & Fahy

Case No.: Santa Clara County Superior Court, No. CV 772368

Attendees: City Council, City Manager, City Attorney, Mark Strombotne, Special Counsel

OPPORTUNITY FOR PUBLIC COMMENT

Chairperson/Mayor Kennedy opened the closed session items to public comment. No comments were offered.

ADJOURN TO CLOSED SESSION

Chairman/Mayor Kennedy adjourned the meeting to closed session at 5:06 p.m.

RECONVENE

Chairman/Mayor Kennedy reconvened the meeting at 7:10 p.m.

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

At the invitation of Chairman/Mayor Kennedy, Bill Brown, President of the Morgan Hill Community Health Foundation, led the Pledge of Allegiance.

CLOSED SESSION ANNOUNCEMENT

Mayor Kennedy indicated that the City Manager's contract requires a semi annual review. Therefore, the City Council fulfilled a requirement of the contract by conducting a review. He announced that the Council is very pleased with the City Manager and believes that he is doing a great job, particularly in this time of financial crises that the State is in. The Council feels that it is important that it has an individual who has the experience and the breath of knowledge that City Manager Tewes has at the City's helm. The Council is pleased to have the City Manager leading the City at this critical time. He indicated that the Council has several other closed session items that have been continued to later in the meeting.

PUBLIC COMMENT

Mayor/Chairman Kennedy opened the floor to public comment for items not appearing on this evening's agenda. No comments were offered.

OTHER REPORTS

City Treasurer Roorda indicated that six months ago, the Council requested quarterly reports by the Finance and Audit Committee regarding the City finances, in particularly the general fund. He presented a power point presentation with the use of graphs that show how the City performed over the first six months of the fiscal year. He stated that there is uncertainty in the City's finances because of the State budget situation. He indicated that expenses have been cut by approximately \$500,000 in the first six months and that expenses are flat this year as compared to last year. He felt that there will be an opportunity to close the gap to address shortfall in revenues and what spending reduction the City has been able to achieve in the general fund to date. He said that the graphs show that the City can be more encouraged than it would otherwise be given the fact that the revenue trends tend to favor the second half of the year. He said that this should help close some of the current gaps that the City is facing. He said that finance staff will return to the Council with recommendations as to the additional steps that may need to be taken, if any, to help close the gap. He stated that the City's finances are all

without reference to the State and how it may impact the City.

City Manager Tewes assured the Morgan Hill community that the City's domestic water supply meets or exceeds all of the standards established by the state and the federal government. He said that recently there has been press attention to a concern about contamination in the ground water that is spreading to the south of Morgan Hill. Last year, in April, the City learned that one of its production wells south of Tennant Avenue showed for the first time levels of a contaminant known as perchlorate at a level that slightly exceeded the standards established by the state and federal government. Once the City found that the water did not meet standards, the City shut down the well and that it remains shut to this date. He said that the Council authorized the drilling of a supplemental well at another location. He said that the contamination was likely caused by a manufacturing plant that was formerly located north of the Tennant Avenue owned by the Olin Corporation and later by Standard Fusee. Staff discovered that there was a slight exceedance of the standard and that the City immediately closed down the well. The City recently tested all of its productive wells and that all have returned with the results that there is no perchlorate in the City's water supply being delivered to its customers. Recently, Olin Corporation has been working with the managers of the Santa Clara Valley Water District (SCVWD) and the Regional Water Quality Control Board to map the plume of the contamination. They have been testing wells, bringing to the public's attention the extent of contamination as far as 4.5 miles south of Morgan Hill. Last week, public notice was given to the community in an effort to bring this situation to the attention of the public who may be affected and to recommend that they have their private wells tested. He indicated that the SCVWD has delivered drinking water to 500 homes. He identified the hot line number for individuals south of Morgan Hill who may be interested in learning more about this issue. He said that the Regional Water Quality Control Board and the Water District will continue to monitor and to pursue their regulatory requirements to bring the ultimate clean up of the sites and to ensure the public's health and safety. He wanted to assure Morgan Hill residents and water customers that the water being delivered through the City's system meets and exceeds all the regulatory standards and does not contain perchlorate.

CONSENT CALENDAR:

Redevelopment Agency Action

Council Member Sellers requested that item 5 and 8 be removed from the Consent Calendar.

Action: *On a motion by Agency Member Tate and seconded by Agency Member Sellers, the Agency Board unanimously (5-0) approved Consent Calendar Items 1 and 2 as follows:*

1. **DECEMBER 2003 FINANCE AND INVESTMENT REPORT**
 Action: Accepted and Filed Report.
2. **ANNUAL STATE REDEVELOPMENT REPORTS FOR FISCAL YEAR**
 2001/2002

Action: ***Filed** the Fiscal Year 2001/2002 Redevelopment Agency's Annual Report of Financial Transactions, Housing Annual Report of Housing Activity, and Property Report.*

City Council Action

CONSENT CALENDAR:

Action: *On a motion by Council Member Tate and seconded by Council Member Sellers, the City Council unanimously (5-0) approved Consent Calendar Items 3, 4, 6 and 7 as follows:*

3. **AMENDMENT TO AGREEMENT WITH THE LAW FIRM OF ENDEMAN, LINCOLN, TUREK & HEATER**

Action: ***Authorized** the City Manager to Execute an Amended Agreement with the Law Firm of Endeman, Lincoln, Turek & Heater.*

4. **APPROVE PAYMENT TO SANTA CLARA COUNTY FOR VEGETATION ABATEMENT ON CITY-OWNED PROPERTY**

Action: ***Approved** Payment in the Amount of \$40,156.72 for Vegetation Abatement in FY 2001/2002.*

6. **ACCEPTANCE OF SUBDIVISION IMPROVEMENTS FOR TRACT 9451, CAPRIANO PHASE IV – Resolution No. 5631**

Action: *1) **Adopted** Resolution No. 5631, Accepting the Subdivision Improvements Included in Tract 9451, Commonly Known as Capriano Phase IV; and 2) **Directed** the City Clerk to File a Notice of Completion with the County Recorder's Office.*

7. **POLICY REVISION – RESIDENTIAL DEVELOPMENT CONTROL SYSTEM (RDOS), AFFORDABLE PROJECTS**

Action: ***Approved** the Recommended Policy Changes to Projects Competing Under the Affordable Housing Category.*

5. **INSTALLATION OF FOUR-WAY STOP SIGNS AT SPRING AVENUE/WILLOW CREEK DRIVE INTERSECTION**

Council Member Sellers stated that a few months ago, a group of citizens who reside around Spring Avenue brought a petition to the Council stating that they were concerned about stop signs. He said that staff worked with the citizens to ultimately get a stop sign installed where one was needed. These citizens thanked the Council but he felt that it was important to thank the citizens for working hard and going through the procedure the right way. He thanked staff and the neighbors for their hard work in making a hazardous situation safer.

Action: *On a motion by Council Member Sellers and seconded by Council Member Tate, the City Council **Received** the **Informational** report.*

8. RESTORATION OF VEHICLE LICENSE FEES – Resolution No. 5632

Council Member Sellers indicated that the Vehicle License Fees (VLF) were reduced with a promise made to cities to restore the funds that were cut. Now, that it comes time for the State to pay the VLF fees to cities in this budget crises year, they will not do so. He said that these were funds that were promised to cities many years ago as on going source of revenue to local communities. The loss of revenues is a concern to a lot of cities, some of which have a significant part of their budgets tied to Vehicle License Fees. He felt that it was important that citizens are aware that these are funds that were promised by the state and need to be restored. The City is asking that the promise made by the State be kept.

Mayor Kennedy stated that the Santa Clara County Cities association is joining with the Peninsula Division of the League of California Cities to take a strong position in opposing any take away of the Vehicle License Fees which would have very serious negative effects on the budgets of all cities and counties throughout the state. He felt that it was unconscionable for the Governor to propose to balance the state's budget on the backs of cities who have diligently done their job to guard their limited resources and to build their revenue base. He stated that the City would be working with the League of California Cities and the Santa Clara County Cities Association and other groups to lobby to protect these revenues.

Action: *On a motion by Council Member Sellers and seconded by Council Member Tate, the City Council unanimously (5-0) **Adopted** Resolution No. 5632 Related to Restoration of Vehicle License Fees.*

City Council Action

OTHER BUSINESS:

9. PUBLIC MEETING REGARDING WATER AND SEWER RATES

Director of Finance Dilles presented the staff report. He indicated that on November 13, 2002, the Council directed staff to return with a public hearing. He stated that staff was instructed to analyze the target zone for each of the three recommended reserves. He indicated that the consultant would address water rates as they compare with other jurisdictions, including Gilroy, as well as explaining the reserves, over time, as the City looks at its fund balances and reserves. He stated that staff still recommends the three reserves be implemented but advises that the rate stabilization reserve is optional and is at the Council's discretion. He indicated that the Finance and Audit Committee has looked at the rates again following the November 13, 2002 workshop and is recommending that the City move ahead with a series of 2% increases. Should the Council decide not to fund the Rate Stabilization reserve, staff would propose implementing each of the increases except for the last one (2% 2007). Staff also proposes that the Finance Director report to the Council each September 30 prior to the January 1 proposed increase with a report about the need to implement the 2% increase. He also addressed the sewer rates and indicated that a 10-year projection would be presented this evening for the sewer funds. He indicated that the Finance and Audit Committee believe that the sewer rates remain at the current level. He

indicated that the City's consultant, John Farnkopf, was present to address the Council.

John Farnkopf addressed the water funds, revenue requirements, reserves, and rates, and presented a bill comparison/customer profile. He addressed the reserve fund policy for the Operations, Capital Projects, Rate Stabilization and Impact funds. He also addressed projected Water Fund Revenue projections, and the projected deficit. He said that it is being recommended that there be a 2% annual water rate increase for the first five years, based on projections on the operating and capital expenses. He recommended that the City monitor funds and make adjustments accordingly. He addressed the effect of a 2% increase on current water rates and provided a sense of what the structure would be like for its water rate paying customers. He compared Morgan Hill's water rates to that of Gilroy's rates. He said that without the modest rate increase or debt issuance, reserves would drop below the targeted balance. In order to avoid this, it is being recommended that there be 2% water rate increase per year for the next five years. With these rate increases, the City would be able to maintain the Operating, Capital and Rate Stabilization reserves at adequate levels. He indicated that the impact reserves that are funded from connection fees will drop very low in the near term, even with the recent increases in connection fees. It is not being recommended that the volume of water rate structure be modified.

Mr. Farnkopf addressed the reserve sewer funds and indicated that they are well above the target balances at this time. He said that the revenues collected from connection fees would not be sufficient to pay for capital improvement projects and that either debt would have to be issued or some inter-fund loan from the rate stabilization reserves might have to be used. He stated that no rate increases are being proposed for the sewer fund as the current rate structure is acceptable. The reserves are high and that without rate increases, they should drop down to the target balances. A rate decrease is not being recommended because of the potential liability of the future capital costs. He said that the impact reserve will still need to be supplemented by some amount of debt financing.

Mayor Kennedy opened the floor to public comment.

Mark Grzan expressed concern about the water and sewer rates. He indicated that his water was up to \$200 a month in the summer, even though he hand waters and watches his water use. He stated that it has been five years since the last comprehensive review of the City's water and sewer rates has been undertaken and that it was his belief that a thorough review was conducted. He disagreed that the City should wait another five or ten years before the City looks at those rates. He felt that the 2% average may be misleading as vendors are included in the residential mix and industrial users are excluded completely. He did not see where the City and the School District fall within a water use category. He did not see a rate comparison with that of the City of Gilroy. He felt that a review of City rates should include a comparative analysis of the City's structures and a comparison with other agencies. He felt that the study failed to address water rates. He said that he found the study to be confusing and somewhat repetitive. He said that water operations appears to have increased more than water purchases and that this is not explained in the report. He did not believe that increases in water costs explain the increase in expenses and that all users were not listed. He inquired as to the rate of consumption for the years between 1997 and 2000. He inquired whether the City was growing and whether the City

was using more water. He felt that the square footage of homes and lot sizes come into play when you consider water rates. He noted that water conservation was not mentioned and that he did not see a water conservation policy in place for projects that are currently being built. He noted that a consultant prepared the study. He stated that he would appreciate if the City could recruit and retain its own staff to perform the study and have information readily available when needed, required and requested by the public. It is his hope that when the Council talks about water rates that it talks about efficient and effective use of the delivery system. He would like to see a cost per cubic foot delivered and how this compares with other agencies so that the community can see how efficient the City is in the delivery of services.

No other comments were offered.

Council Member Sellers noted that this is the fourth hearing in which the Council has reviewed water and sewer rates. He did not believe that the lack of comments at this time is due to the lack of interest as much as the fact that the Council has reviewed the rates.

Mr. Dilles indicated that the City and School District are considered non residential users, noting that they are entities who pay water bills. Regarding the increases in expenditures, it was his belief that Mr. Grzan was referring to an increase from last fiscal year to this fiscal year. He said that Mr. Grzan was correct when he indicates that the cost, other than water purchase, increased more than the cost of water purchase, citing the number of reasons (staff vacancies occurred last year that are not there currently in this fiscal year, a larger number of meters were purchased this year, a number of operating expenses increased, including increasing the amount of cost allocation). It was determined that the City could and should recover higher level costs from other funds, including the water funds. He stated that this is one of the components of the increase in costs. He indicated that the report did not assume that the City would be spending the full budget this year. In looking ahead, the consultants factored in a 3% annual inflationary rate assumption, including the purchase of water and all of the operating expenses. He said that consumption plays a role and that the more water that is used, the higher tiered level one falls under. A rate user would be paying a higher cost if they are a large water user, incrementally, versus that of a low water user. He said that the City has statistics that show the typical home is using more water on average than in 1997. The rates are higher only if an individual uses more water. Therefore, the bills are based upon water usage and not upon a lot size, per se. In terms of using a consultant, he said that staff could have taken a stab on preparing the study in house. However, it was his belief that there were some areas, particularly controversial areas such as proposed rate increases where he felt that it would be useful to hire an independent consultant in order to receive an expert and objective report. In terms of water conservation not being dealt with, it was his belief that the rate structure deals with conservation. The City encourages lower water usage by charging higher amounts for incremental use.

Mayor Kennedy recollected that in the previous report there was an alternative in which a one time rate was being proposed versus a 2% rate increase over five years. He inquired as to the one time percentage rate previously proposed?

Mr. Dilles responded that the one time rate increase being considered was 8% and that this rate would get the City to the same place over five years and keep the City above the target reserve

levels and met revenue requirements. He stated that staff was not necessarily proposing the 8% rate increase but asked the consultant to come up with a range of options for Council discussion and to determine what would be the best rate alternative.

Mayor Kennedy felt that the fact that the rate structure increases the more one uses does in fact encourage conservation. The more water you use, the higher the rate that is paid. This aspect is built into the rate structure.

Action: *On a motion by Council Member Sellers and seconded by Council Member Tate, the City Council unanimously (5-0) **Directed** staff to return on February 5, 2003, with a Public Hearing for Consideration of Adjustments to Water User Rates.*

Council Member Tate said that the City publishes tips on conservation periodically in City Visions. He felt that it would be a good to publicize water conservation as the public reads about the rate increases.

10. CONSIDER REQUEST FROM MORGAN HILL COMMUNITY HEALTH FOUNDATION (MHCHF) FOR PARTIAL DISBURSEMENT OF MATCHING FUNDS

City Manager Tewes indicated that two years ago, the City Council appropriated \$500,000 to support the work of the Morgan Hill Community Health Foundation (Foundation). Initially, the City Council allocated \$250,000 toward its initial operations and stated that subsequently, the balance would be made available on a matching fund basis. He noted that the Foundation has been to the City Council on several occasions and that on one occasion, they asked for the opportunity to have \$80,000 without the benefit of a match to be used directly for physician recruitment. He indicated that there have been some matching funds and that \$120,000 remains unappropriated. It was his belief that there would be a supplemental request from the Foundation. Should the Council approve the request in matching funds of \$50,000, there would be a \$70,000 fund balance.

Mayor Kennedy opened the floor to public comment.

Bill Brown, President of the Foundation informed the Council that the Foundation has been able to raise \$50,000. He requested that Council acknowledge the funds and match these funds with \$50,000.

John Ray, Executive Director for the Foundation, stated that he was very pleased with the generosity of the Foundation Board members, particularly Mr. and Mrs. Brown for what they have done for the community in terms of the donation of their time and efforts. The donation of significant funds is to be commended.

No further comments were offered.

Council Member Sellers felt that this was a first good step in terms of the independent fundraising that was the goal of the Foundation; one shared by the Council. He said that it was

appropriate for the Foundation to take the major step to come before the Council for this request. He noted that the way the procedures were established, the Foundation was obligated to come to the Council every time they raised funds. He felt that it would be expeditious and a lot more efficient if the Council were to allow the City Manager to allocate the funds that the Council has already determined should be allocated. He recommended that the Council allow the City Manager to disburse funds that have already been set aside for this purpose. He was pleased to see that the Foundation was making some progress.

Mayor Pro Tempore Chang said that it was wonderful that the Foundation was able to raise this amount of money in such a short period of time. She applauded the work of the Foundation. She indicated that Mayor Kennedy is the honorary chair for an upcoming fundraising event to be held sometime in May. The Foundation will be using the Community and Cultural Center and the outside amphitheater to host the event. She indicated that St. Louise Regional Hospital has agreed to sponsor a health fair. It is also hoped that doctors can put together seminars that can be attended by the public. It was her hope that all Council members will be part of a fundraising committee.

Action: *On a motion by Council Member Sellers and seconded by Council Member Tate, the City Council unanimously (5-0): 1) **Appropriated** \$50,000 in matching funds; and 2) **Authorized** the City Manager to disburse funds on a matching basis, up to \$70,000.*

Council Member Carr requested that the Foundation return to the Council and let it and the community know how it is doing when it has the opportunity to do so.

Mr. Brown said that the Foundation is continuing to meet, study and go over healthcare. He indicated that the Foundation received a request from the City Manager to comment on the goals that the Council has set for the medical and healthcare in the City. He said that the Foundation could not do this in the few days that elapsed. He stated that the Foundation would return to the Council with this type of a presentation. It was the Foundation's hope to be able to tap into the City's kindness and generosity. He would like to have another \$70,000 brought in immediately so that the Foundation can receive the balance of the funds earmarked for medical services. Anyone interested in donating funds should make the check payable to the Morgan Hill Community Health Foundation. He stated that the Foundation will acknowledge the receipt of these donations and would appreciate any funds that can be donated. He thanked the members of the Foundation board, noting that all members have contributed cash to the Foundation, including the members of the City Council who sit on the Board. He noted that the Executive Director has also contributed to the funds. The Foundation will be returning to the Council with further reports as it goes along. He indicated that the Foundation is close to signing on a new doctor to work out of the medical office building. He stated that St. Louise Regional Hospital has retained the services of a real estate broker to discuss the lease and move this forward. The Foundation believes that this would be a positive impact on filling the medical office building and making further use of the facility. He said that there are discussions taking place with other doctors and it is hoped that a consensus and agreement can be made.

Redevelopment Agency Action

11. SCHEMATIC DESIGN OF AQUATICS COMPLEX AND FINANCIAL ANALYSIS REPORT

Senior Project Manager Dumas presented the staff report. He indicated that the project architect, ELS, was in attendance and would be presenting the aquatics design concept to the Agency Board. It is staff's desire to attain Agency Board approval of the schematic design with some conditions. Staff is also requesting that the Agency Board allow staff to proceed with the design development and the construction phase of the project.

David Petta presented the work of the aquatics complex steering committee that includes the site plan and the schematic design. He indicated that the concession stands would serve the needs of the three proposed groups: competitors, recreational, and the users of the sports fields. He provided cost estimates relating to the pools, site work, and buildings for a project total of approximately \$8.5 million. The cost includes the Leadership in Environmental and Energy Efficient Design (LEED), right of way improvements along Condit Road, wind and sun protection that was not a part of the original phase I, estimating contingency, change order contingency and escalation contingency fees. He identified the following bid alternatives that could be included: the addition of a fifth and sixth lap lane to the pool at a cost of \$90,000; and the addition of a second slide and a splash down pool at an estimated cost of \$80,000. He identified the aquatics complex schedule. Should the project receive approval, staff would start with a two part construction document effort. He said that this is a tight and well thought out schedule that is contingent upon Agency Board approval this evening. He indicated that the Agency Board will have two more chances to approve the pool package once the bids are received. The building and site work will return to the Agency Board for approval at the end of June or mid-July.

Gino Young, ELS Architects, addressed the LEED matrix and applied it to the City's aquatic project to determine what kind of points could be achieved in energy efficiency and sustainability. Also, studied were the costs relating to LEED points so that they could be evaluated by the Agency Board. He indicated that in order to attain LEED gold, a project needs to attain at least 39 points in identified measures. He said that the project is tracking for LEED silver that would require attaining 34 points. This is being achieved by the use of various elements within each of the categories. He addressed the design of the building for the project. He indicated that the cost to achieve LEED certification is \$408,000 and that is included in the cost estimate for the project.

Agency Member Tate noted that the cost for implementing the LEED elements but does not include attaining certification.

Mr. Dumas stated that staff reviewed the design concept with the aquatics complex steering committee, indicating that the steering committee recommends the addition of conditions of approval: 1) enlarge the recreation pool to accommodate two slides and be able to incorporate a stair towers to accommodate a second slide at a future date; 2) enlarge concession areas or design

it so that a grill with fryers can be accommodated in order to have the ability to serve more hot food; 3) bid alternate to accommodate a six lane pool versus a four lane pool; 4) increase the area between the wind screen and the recreation pools by relocating the team lawn and the wind screen to provide more space around the recreational pools; and 5) redesign the west elevation of the building to make it more interesting, and to be able to accommodate a facility sign as well as some public art such as a mural.

Vice-chairwoman Chang inquired as to the cost required to accommodate the second slide and allow an option for four lanes? Mr. Petta responded that the cost to enlarge the slide pool and not provide the slide would add an additional \$20,000 to the project cost.

Mr. Dumas recommended that the proposed enlargement of the slide pool would proceed as an add on alternative during the bid stage. This would allow the Redevelopment Agency to have both prices when the pool package goes out to bid. The Agency could make a decision on a direction at that time. He stated that the project has approximately \$1 million in contingencies plus \$300,000 in escalation.

Agency Member Sellers stated that his questions relate to the slide and the instructional pool. He said that he could make a direct connection between adding two instructional pool lanes and increased income. However, this is a harder thing to do with the slides. He stated that he had the opportunity to spend time at a pool very similar, in terms of the overall concepts, in Colorado last summer. He inquired if there were long term benefits to including the second slide at this time as opposed to waiting?

Mr. Dumas responded that the overall feeling is that as the project opens, the second slide will benefit the project over the long term by not creating long lines. A second slide would help funnel more people through and would allow more play time for individuals.

Agency Member Sellers inquired if there was a way to move the wind screen as opposed to moving everything else. He inquired how durable the wind screen would be.

Mr. Petta stated that once the wind screen is installed, it would be permanent. He said that the wind screen could be shifted to find a happy median so that there is some lawn on both sides of the wind screen. He stated that the wind screen would be as durable as he can possibly make it.

Mr. Dumas said that staff has not determined the appropriate art work or the artist that would be used to design the art work. He said that the City would more than likely be looking for direction from a local artist or Gavilan College.

Agency Member Sellers said that the art work/design may be a project that the community could undertake.

Chairman Kennedy indicated that he and Agency Member Carr have some thoughts regarding art and that they would provide preliminary comments this evening

Agency Member Tate encouraged installation of the second slide and the additional two lanes as

they are required; however, he expressed concern with what the business plan would show. He was supportive of adding features that would add revenue. He said that he was not sure about the art recommendation because it does not add revenue but that it would make the facility more attractive. He said that he was supportive of spending capital dollars up front if it would achieve better returns.

Agency Member Carr stated that the committee has discussed investment dollars upfront that would help minimize the City's cost down the back stretch. The committee has talked about investment dollars and the need for the additional two lanes and the additional slide as well as the Parks and Recreation Commission's recommendation of enlarging the concession area for better utilization. He said that the committee looked at the elevations of the mechanical buildings that face Condit Road, Highway 101 and entryway into the facility. It was felt that elevations were bland. Chairman Kennedy is recommending mural or art work that would create an interest for individuals driving by. This would also create signage for the facility. He said that the City could talk to the high school or Gavilan College and/or local artist to assist with the art work. He stated that the committee would like to spend more time looking at this concept and see how it can be implemented. The committee also spent a lot of time discussing the windscreen as it is an essential based upon the wind patterns of the area. Protecting the competitive pool is important. It was felt that the windscreen could be incorporated in such a way that it would allow access between pool areas. He stated that in December, the Agency combined phases of the project, noting that a year ago, this was an eight phased project. It was realized that doing the project in the different phased steps did not make as much sense as doing some of the them together, especially for the cost recovery portions of the project. Therefore, several phases have been moved up in the schedule, noting that the project has not changed, only the phasing has changed to the project. He indicated that the committee would be meeting early next week to talk about cost recovery and financing part of this project so that the committee can come back to the Agency in early February. They will bring some thoughts on how the City can achieve better cost recovery and what will be the needed aspects of the project in order to get there. He stated that the project is on a tight timeline and that staff is working hard to meet the timeline set by the subcommittee. He said that the committee and staff are trying to keep the project on the aggressive schedule.

Chairman Kennedy felt that a goal of the aquatics complex is to design it where it can achieve the highest cost recovery possible so that the City's general fund is not jeopardized. He said that the committee will be focusing very carefully on the operating cost. He said that there are a variety of different potential users that he has spoken to that he wants to make sure are part of the cost recovery. He said that the guests of hotels and motels can use the center through agreements and provide an annual fee to use the facility. He said that scuba diving clubs can use the facility for training and that Gavilan College could use the facility for rehabilitative swimming. He felt that there were a wide variety of options that would help the cost recovery. The additions being discussed are bid alternates. He said that it is the committee's hope that in bidding at the proper time the City may be able to get good prices and be able to incorporate a lot of the additional cost generating features without increasing the overall capital cost of the project. However, this information will not be known until the bids come in. With respect to the public art, he envisioned raising the west wall facing Condit Road to lend itself to a mural. The City could consider using some of the local high school artists, working with the architect to make it an art

project. He recommended that the City look at a variety of options to make the west facing wall more attractive, using bright colors of swimmers/divers to invite people to come into the aquatics center.

He said that the water polo and the competitive swimmers would like to see the shallow end of the 50-meter pool at a two meter/seven feet depth. He noted that this design would not allow this depth. In speaking with the architects, it is being recommended that the decision on this particular issue be deferred until the City can investigate the additional cost and what restrictions on the pool this would create. He indicated that the committee may return with a request to make the shallow end of the pool a depth of seven feet. He has been advised that the biggest cost is based on the square footage and that adding depth does not increase the capital cost significantly. As currently designed, the 50-meter pool has a 4.6 foot depth at the shallow end and that the L-shape slopes it up to 3.6 feet in order to meet ADA requirements. If there is a way to allow the depth at seven feet, it would allow two water polo games to occur simultaneously for competition, and would also allow the high quality swimming competitions

Executive Director Tewes said that this would be one of the issues to be evaluated as part of the business plan, as it has certain capital costs and an implication for the desirability for non water polo players to use the facility. He said that the 50-meter competition pool is by far the most expensive element to maintain. He said that all these issues would be balanced when the committee returns to the Council on February 5.

Vice-chairwoman Chang complimented the architect on the design of the community playhouse. She indicated that she had the ability to tour the interior of the building and found it to be incredible.

Chairman Kennedy opened the floor to public comment.

John Rick addressed the need for a minimum two meter depth competition pool. He said that in order to bring in good revenues, competitions will need to be held for water polo and swim tournaments up to the national level.

Geno Acevedo commended everyone for the progress being made on the aquatics center. He stated that the 50-meter pool was incorporated for competitive purposes and to have a recreational component to help offset the costs for the competitive aspect of the project. He said that it would be important to have three games of water polo taking place to be able to host up to a national and/or larger tournaments. He stated that it is the larger events that would bring in the people who would stay the night, eat at the local restaurants, and spend money. He stated his support of relocating the windscreen in order to open up the deck to make the recreation side as friendly as possible. He said that the team lawn is a set aside area to allow room for temporary bleachers and not crowd onto the pool decks. He recommended that the entire site be shifted south to accommodate the windscreen. He stated that he was not opposed to public art. However, from the competitive side, he would like to have individuals be able to view what is taking place. He said that it was suggested, in the Parks and Recreation Commission, that the walls be designed with holes or open slats so that individuals can look in as they drive past the facility.

No other comments were offered.

Chairman Kennedy stated that he would support increasing the shallow end to seven feet. However, he felt that additional research is needed because he did not want to limit the recreational use of the 50-meter pool. He stated that it would not be desirable should increasing the depth result in a net loss of pool use. He felt that this issue should be looked into carefully before making a decision.

Vice-chairman Chang said that there may be certain swimmers who may not want to start at this depth.

Agency Member Sellers addressed LEED certification. He said that it was apparent to him that the items where the City did not have points would be hard to attain. He stated that he was excited that the City would be able to achieve LEED silver and that whether or not the City is certified is a different issue. He said that to try to push the design to achieve the next LEED level is not necessarily the best way to proceed. He was pleased to hear about the public art but that he was anxious about it for reasons discussed before. He said that this may result in a process that creates an Art Commission. He recommended that the Agency Board keep as broad a perspective as possible and that art include alternate materials such as tile. He wanted to make sure that the City does not limit itself by calling art a mural as there may be other forms or art (e.g., three dimensional art). He recommended that this process be kept open, as creative as possible, and attract private funding. He noted that the City could tap the resources of the Community Foundation and other resources to provide art for the facility. He appreciated all alternatives being considered in terms of cost recovering. He recommended that the City be conservative and that it does not overstate the features. He said that he would support approval this evening as he liked the design and the direction the City was heading. He is hopeful that the project would be coming at or below bid and would be able to add the lanes and the second slide as they are both critical elements.

Agency Member Tate appreciated the committee's emphasis on revenue generation activities. He stated that he would be focusing on the net operating and maintenance costs. He stated that he would not hold up the progress that the Agency wants to make with this fast moving development but that it is critical that the Agency make the project pencil in.

Action: *On a motion by Agency Member Sellers and seconded by Vice-chair Chang, the Redevelopment Agency Board unanimously (5-0) **Conditionally Approved** the Schematic Design, Pending Agency and Staff Review, with Recommended Revisions; and 2) **Authorized** Staff to Proceed with the Design Development/Construction Document Phase of the Project.*

City Council Action

OTHER BUSINESS:

11. CITY SUPPORT FOR THE CREATION OF 2-1-1 INFORMATION AND REFERRAL PHONE NUMBER

Assistant to the City Manager Dile, presented the staff report, indicating that Nona Tobin, a loaned executive to United Way, was present to address the creation of the 211 Information and Referral Phone System.

Nona Tobin distributed a package of information that had been previously distributed at a community forum held last week for elected officials, business people and non profits. She indicated that 211 is a phone number that is designed to allow people to have access to any of the health and human services in their community. She highlighted how 211 is moving across the nation, noting that is sponsored by United Way America and the Association of Information Referral System's project. She indicated that the FCC authorized the exclusive use of the 211 for this purpose. However the FCC did not allocate funding for this program. Therefore, every state and local community has to come up with their own way for creating the service within its community. The FCC stated that it would review this number after five years (2005) to see it has been substantially implemented. She indicated that 211 is accessible to 18% of the population and is being used in 19 states and 55 centers. In California, it is going through the Public Utilities Commission (PUC) and that it is on their January 30, 2003 agenda. She is hoping that the PUC will authorize 211. She requested that letters be sent to the PUC requesting that they take action on 211. Once approved, every geographic area of no smaller than a county or group of counties, would be able to submit an application to one service provider per area.

Ms. Tobin informed the Council that a local steering committee has been meeting for over a year, bringing together all interested stake holders and different non profits that provide information and referral services. The PUC would like to see a 9 month process before putting the structure in place. She indicated that this county does not have the benefit of having a 24-hour call center that has a seven digit number that could be switched to a three digit number. Therefore, United Way is creating a collaborative to create this function in the County. She informed the Council that 211 would be used by individuals with problems, in need of services or wanting to volunteer. Having a 211 number would create a central location where individuals can call with a multitude of problems who would be assisted by trained operators who would refer the individuals to appropriate human services agency. She indicated that people in personal crises can use 211 who are not in need of 911 emergency services. She said that it is hoped to engage businesses, non profits and the public sector to help create and fund this program. It is a goal to have the project implemented in 2005, once PUC approvals are attained with full call of volumes by 2008. She requested that the City consider having someone participate with the steering committee in order to work together to come up with the best local solution that takes advantage of whatever resources exist. She further requested that the Council adopt a support resolution that states that the City is interested in seeing that the County has this service available. She felt that the collaborative process is the best way to approach 211. Also, that the City designate someone that can be on their list serve and be the connection at the City who can provide information regarding the services that the City currently provides, the best way to interface with the process, and to stay informed throughout the process. She indicated that by adopting the resolution, it does not commit the City to any costs.

Council Member Sellers stated that he was supportive of the effort. He understood the cost savings from the 911 calls that should not be 911 costs. He felt that the individuals who need the help the most would be the least likely to go through all the steps to attain the needed services. He inquired whether there were measurable increases in the number of calls who would access services through 211 as it would be an easy number to remember and access?

Ms. Nollin said that when you have an information and referral agency that has been in operation and they take on 211, they get a 40% increase in calls.

Council Member Sellers felt that this was a great service and that he would support it.

Actions: *On a motion by Mayor Pro Tempore Chang and seconded by Council Member Sellers, the City Council unanimously (5-0) **Adopted** the Resolution of Support.*

ADJOURN TO CLOSED SESSION

Chairperson/Mayor Kennedy adjourned the meeting to closed session at 9:40 p.m.

RECONVENE

Chairperson/Mayor Kennedy reconvened the meeting at 10:08 p.m.

CLOSED SESSION ANNOUNCEMENT

Agency Counsel/City Attorney Leichter announced that no reportable action was taken on the above listed closed session items.

FUTURE COUNCIL-INITIATED AGENDA ITEMS

No items were noted.

ADJOURNMENT

There being no further business, Chairperson/Mayor Kennedy adjourned the meeting at 10:09 p.m.

MINUTES RECORDED AND PREPARED BY

IRMA TORREZ, Agency Secretary/City Clerk